

CALIFORNIA ENERGY COMMISSION

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Frequently Asked Questions for the California Renewables Portfolio Standard for Local Publicly Owned Electric Utilities

http://www.energy.ca.gov/portfolio/pou_rulemaking/documents/

Last Updated: October 18, 2013

To submit a question for staff to consider including in the Frequently Asked Questions, please e-mail or call the contact person listed below. If e-mailing, please type "RPS FAQ" in the subject line.

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Deadlines

1. The Energy Commission's regulations include several reporting deadlines that are dependent on the effective date of the regulations. What are the due dates associated with these reports?

The regulations, *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities*, include multiple reporting and adoption deadlines for local publicly owned electric utilities (POUs) based on the October 1, 2013, effective date of the regulations. These deadlines are:

October 31, 2013:

- A POU that meets the criteria listed in Public Utilities Code section 399.30 (g) must submit documentation as required under subsection 3204 (a)(6)(A) of the regulations.

- A POU that meets the criteria listed in Public Utilities Code section 399.30 (j) must submit documentation as required under subsection 3204 (a)(7)(C) of the regulations.
- Each POU must submit annual reports for calendar years 2011 and 2012 as required under subsection 3207 (c) of the regulations. Forms to be included in the annual report are available at www.energy.ca.gov/renewables/documents/index.html#rps.

November 30, 2013:

- Each POU must adopt a renewable energy resources procurement plan as required under subsection 3205 (a) of the regulations. (The procurement plan, or any revisions thereto, must be submitted to the Energy Commission within 30 calendar days of adoption.)

December 30, 2013:

- Each POU that adopts rules allowing for the use of historic carryover in accordance with subsection 3206 (a)(5) of the regulations must submit documentation as required under subsection 3207 (b) of the regulations. The historic carryover reporting form is available at www.energy.ca.gov/renewables/documents/index.html#rps.

Portfolio Content Categories

2. When the Energy Commission refers to "Portfolio Content Category (PCC) 0" electricity products, is it referring to "count in full" products?

Yes, "PCC 0" is another term that the Energy Commission uses to refer to electricity products that meet the "count in full" criteria in subsection 3202 (a)(2) of the regulations.

3. Do POUs need to demonstrate delivery for "PCC 0" electricity products located outside a California balancing authority area?

POUs are required to demonstrate delivery for "PCC 0" electricity products when the products are being claimed for historic carryover, and only for those products for which a demonstration of delivery would have been required under the rules specified in the *Renewables Portfolio Standard Eligibility Guidebook* in place at that time. For electricity products associated with generation on or after January 1, 2011, no

demonstration of delivery, such as a NERC e-Tag, is required for “PCC 0” electricity products. POU must, however, demonstrate that the contracts for all “PCC 0” electricity products met all eligibility rules that were in place at the time of execution, including delivery requirements.

4. Does an electricity product need to be procured bundled by the retiring POU to be classified as PCC 1 or PCC 2?

Yes. To classify an electricity product being retired as PCC 1 or PCC 2, the POU retiring the Renewable Energy Credit (REC) for that product must have procured the electricity and the REC from the eligible renewable energy resource or from a third party as a bundled product. The definition of “bundled” can be found in section 3201 (e) of the Energy Commission's regulations, *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities*.

5. Is the timing of REC title transfer to the POU a determining factor in an electricity product's classification? For example, would a REC title need to be transferred to a POU upon generation of the associated electricity for that POU to claim the REC to meet its PCC 1 portfolio balance requirements?

The REC title transfer must be clearly defined in the terms of the contract, but the actual timing of that transfer is up to the parties involved and will not affect the PCC classification of the electricity product, provided that the POU retires the REC within 36 months of the date of generation in accordance with section 3202 (c) of the Energy Commission's regulations.

6. Is an electricity product considered bundled if the electricity is delivered into the California Independent System Operator (CA ISO), which pays the eligible renewable energy resource directly without involvement from the POU?

For an electricity product to be considered bundled, the POU retiring the REC for the electricity product must have procured the REC and the associated electricity as part of the same contract or ownership agreement, and the electricity may not be sold back to the eligible renewable energy resource. The POU can, however, sell the electricity to a third party without the electricity product losing its “bundled” designation. If the POU procures the electricity product from another California RPS-obligated entity (i.e., the purchase is a resale), procurement of the electricity products must meet the resale criteria outlined in section 3203 (a)(2) or 3203 (b)(3), as applicable, to qualify as PCC 1 or PCC 2.

7. Can an electricity product be classified as PCC 1 if the associated electricity is not generated in or delivered into the service territory of the POU claiming the electricity product for RPS compliance?

Yes, as long as all PCC 1 criteria from section 3203 (a) of the Energy Commission's regulations are met. Delivery into a POU's service territory is not required for PCC 1 classification.

8. What happens if the incremental electricity associated with an electricity product that would otherwise meet the requirements of PCC 2 is not scheduled into a California balancing authority within the same calendar year that the electricity from the eligible renewable energy resource is generated?

If the incremental electricity is not scheduled into a California balancing authority within the same calendar year the electricity from the eligible renewable energy resource is generated, then the associated REC would not qualify as PCC 2.

Resale

9. How does the Energy Commission define "resale" for the purpose of classifying an electricity product in a PCC?

A purchase is considered a "resale" if the POU is buying the electricity product from another California RPS-obligated utility. POU's that purchase electricity products from other California RPS-obligated entities should refer to sections 3202 (b), 3203 (a)(2)-(3), and 3203 (b)(3)-(4) for the rules surrounding resales of count in full, PCC 1, and PCC 2 electricity products, respectively.

10. Would an electricity product that initially meets the requirements specified in section 3202 (a)(3) of the regulations continue to meet the criteria of section 3202 (a)(3) of the regulations if the electricity product is resold?

Unless the resale is specifically included within the terms of the original contract, the resale of an electricity product that met the requirements specified in section 3202 (a)(3) of the Energy Commission's regulations would be considered a new contract with a new contract execution date. The electricity products being resold must meet the requirements of section 3202 (a)(1) of the regulations to continue to qualify for the RPS.

11. Would an electricity product that initially meets the requirements specified in section 3202 (a)(2) of the regulations count in full for the purchasing POU if the electricity product is resold?

Unless the resale is specifically included within the terms of the original contract, the resale of an electricity product that met the requirements specified in section 3202 (a)(2) of the Energy Commission's regulations would be considered a new contract with a new contract execution date. The electricity products being resold on or after June 1, 2010, must meet the requirements of section 3202 (a)(1) of the regulations to continue to qualify for the RPS.

Annual and Compliance Reporting

12. How should a POU fill out the Contracted RPS Facilities Info tab for facilities with multiple Western Renewable Energy Generation Information System (WREGIS) IDs? For facilities that came online in multiple stages?

If more than one WREGIS ID number is associated with the RPS-certified facility under contract, complete one row per WREGIS ID number. For electrical generation facilities that commenced commercial operations in phases, indicate the original commercial operations date of the facility. Facilities that initially commenced commercial operations as nonrenewable facilities should include in a cover letter the date when the facility first began using a renewable fuel/resource as described in this form, along with the facility RPS ID (if available) and facility name as listed in the form.

13. If contract information has already been submitted (for example, power purchase agreement or biomethane contract information), is it necessary to submit it again with the POU static contract data information in the Compliance Report form?

If contract information has already been provided to Energy Commission staff, particularly in the case of applying for certification for facilities using biomethane, the contract does not need to be resubmitted. Rather, in the "notes" column of the Static Contract Information tab of the reporting form, please explain that the contract was previously submitted and, as available, provide the month and year that the contract was submitted to Energy Commission staff.

14. If a POU executes a procurement contract with an investor-owned utility, is the contract execution date the date that the contract was approved by the POU governing board or the date that the contract was approved by the CPUC?

The contract execution date for a contract between a POU and an investor-owned utility would be the date the contract is executed by the POU or the investor owned utility, whichever is later. If the contract is subject to the subsequent approval of the California Public Utilities Commission (CPUC), and the CPUC does not approve the contract, none of the procurement claimed by the POU under the contract will be allowed for RPS compliance purposes.

15. Must a contract for electricity products specify the particular eligible renewable energy resource that will generate the electricity products?

Procurement contracts for electricity products should specify the particular electrical generation facility or facilities that will generate those products. If a contract for electricity products does not specify the particular facility or facilities that will generate those products, then the POU must provide the Energy Commission documentation to show that the electricity products procured under the contract and claimed for RPS compliance were generated by the particular facility or facilities. If adequate documentation is not provided to make this showing, the procurement cannot be claimed for RPS compliance purposes.

16. Must a POU submit an annual report for a given year if there were no RECs retired for that year?

Yes, an annual report is required every year, even if there were no RECs retired. If there were no RECs retired for a given calendar year, simply enter "0" for that year.

17. When submitting the Request and Authorization to Disclose Confidential Information Under Section 13(d) of the WREGIS Terms of Use, what contact e-mail address should I provide?

The Authorization to Disclose Confidential Information form should be submitted to WREGIS so that WREGIS may send the Energy Commission the WREGIS Compliance Reports (retirement subaccount reports). In the Disclosure Information section of the form please include RPSTrack@energy.ca.gov as the contact e-mail address. This is the e-mail address that all WREGIS reports should be sent to. For more information, please see the *Renewables Portfolio Standard Eligibility Guidebook, Seventh Edition*, Section E. Instructions for Filing a State/Provincial/Voluntary Compliance Report Using WREGIS in Appendix A, p. A-11.

18. How should a POU indicate that information requested in an RPS report has already been reported to the Energy Commission?

If the same information has previously been provided to the Energy Commission in an existing report, the POU may reference this information by identifying the name, submittal date, and page number of the existing report, and by including a copy of each page of the report so referenced with the submittal of the RPS report to Energy Commission. For example, the RPS Compliance Report form for POUs asks for narrative information on several topics, including the public goods funds collected and a description of the programs, expenditures, and expected and actual results. If a POU has provided this information to the Energy Commission in a prior report, the POU can reference this information by identifying the name, submittal date, and page numbers of the prior report, and including copies of each page of the prior report that is referenced with the submittal of the RPS Compliance Report to the Energy Commission. The name, submittal date, and page numbers of the prior report must be listed in the space for supporting documents provided on the Attestation tab of the RPS Compliance Report form to ensure the POU's attestation covers the information provided in the referenced report pages.

19. What information should be entered in the "Matched e-Tag ID" field of the CEC-RPS-Track form?

The "Matched e-Tag ID" field of the CEC-RPS-Track form must include the e-Tag IDs associated with the energy delivered into a California Balancing Authority (CBA) to meet the requirements of PCC 1 (Not interconnected to a CBA) and/or PCC 2. Include all the e-Tag IDs used for the claims on this form.

20. Which types of electricity products require demonstration of hourly scheduling and a comparison of hourly scheduling and hourly metered data?

The electricity products that meet the criteria of section 3203 (a)(1)(C) of the Energy Commission's regulations require demonstration of hourly scheduling and a comparison of hourly scheduling and hourly metered data.

21. Can reporting entities use cut-and-paste functionality in the reporting spreadsheets to copy duplicate information?

Yes, the reporting spreadsheets have copy-and-paste functionality.

22. Section 3201 (bb) of the Energy Commission's regulations define "retail sales" to exclude "electricity used by a POU for water pumping." Does this apply to sales of electricity to other pumping agencies (i.e. water districts) that are customers of the POU?

If the electricity is used for the POU's own water pumping, that electricity is not included in the POU's reported retail sales. If, however, the electricity is sold to another water district for that district's pumping, then the electricity is included in the POU's retail sales.

23. Is there a process under the Energy Commission's regulations, *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities*, for a POU to seek an advance extension of time for submitting a report to the Energy Commission?

No. The Energy Commission's regulations do not establish a process for seeking a time extension in advance of a reporting due date. The regulations were drafted with the intent of encouraging the timely submission of required reports.

24. If a POU submits a timely report to the Energy Commission that is determined to be incomplete or incorrect, will the POU be given time to submit additional information to fix the report?

Yes. The Energy Commission's regulations establish a process that allows a POU that has submitted a timely, but incomplete or incorrect report, to submit additional information to address report deficiencies. This process is specified in section 3207 (g) of the Energy Commission's regulations. Under section 3207 (g), a POU that submits a timely, but incomplete or incorrect report, will be notified in writing by the Energy Commission's Executive Director of the report deficiencies and provided 10 business days from receipt of the written notice to provide the missing or correct report information. As part of the process a POU may request additional time from the Energy Commission's Executive Director to submit the missing or correct report information. The Executive Director, based on the POU's demonstration of good cause, may grant the POU up to an additional 30 calendar days to submit the missing or correct report information to the Energy Commission. If the POU provides the missing or correct information to the Energy Commission within the timeframe specified by the Energy Commission's Executive Director, the POU is excused for not submitting a complete and correct report by the original due date.

In light of this process under section 3207 (g), the Energy Commission encourages all

POUs to do their best to submit timely and complete reports to the Energy Commission by the due dates specified in the Energy Commission's regulations. For questions on the POU Compliance Spreadsheets, contact Angie Gould at angela.gould@energy.ca.gov. For questions on the Annual Hourly Comparison form, contact James Haile at james.haile@energy.ca.gov. For questions on the CA RPS e-Tag Summary Report, RPS Track form, or WREGIS Compliance Report, contact Theresa Daniels at theresa.daniels@energy.ca.gov.

Verification Process

25. What happens if RECs are not retired within 36 months of the date of the associated generation?

If the RECs are not retired within the timeframe required in section 3202 (c) of the Energy Commission's regulations, then the REC is no longer eligible to meet a POU's RPS procurement requirements.

26. Do dynamically transferred arrangements require a lesser-of analysis of the hourly meter and hourly schedule data?

Electricity products subject to dynamic transfer agreements that meet the criteria of subsection 3203 (a)(1)(D) do not require an hourly analysis. The POU must, however, demonstrate that the electricity products are subject to such an agreement.

27. When inadvertent e-tagging errors (for example, a typo) preclude the NERC e-Tags from being automatically imported into WREGIS, what steps should be taken and what documentation is needed to ensure the claim can ultimately be verified and determined eligible?

1. Fill out the CA RPS e-Tag report for all e-tags not available using WREGIS (available at: www.energy.ca.gov/portfolio/pou_rulemaking/documents/)
2. Using excel, compile a list of all e-Tags used for the claim, including those available in WREGIS and those not available in WREGIS. This allows Energy Commission staff to verify the total delivery amount associated with the claims requiring e-Tag data using both WREGIS and the CEC-RPS e-Tag reporting form.
3. Compile electronic copies of all individual e-Tags in question.
4. Submit the above, along with attestations from the POU (and incremental energy supplier, if necessary) to the Energy Commission staff at RPSTrack@energy.ca.gov.

The RPS Identification number on the e-Tag is a way to virtually commit the energy delivery schedule with the REC being used for RPS compliance. While Energy

Commission staff does not have authority to approve the claims without Energy Commission adoption of the RPS Verification Report, staff anticipates that, if the contracting requirements and e-Tag information support the claims, the claims will be considered RPS-eligible.

28. What back-up material should a POU keep on hand for verification of procurement claims, and what is the timeframe for retention of such materials?

Record retention requirements are specified in the Energy Commission's *Renewables Portfolio Standard Eligibility Guidebook* (Guidebook). Individuals and entities that certify eligible renewable energy resources for the RPS must keep all records that relate to and verify the accuracy of any information included in an application for RPS certification or in a report submitted to the Energy Commission pursuant to the Guidebook. These records shall be kept for no fewer than three years after the end of the calendar year in which the application for RPS certification is approved or the report is submitted to the Energy Commission pursuant to the Guidebook, whichever is longer. (Refer to Chapter VIII, B.3., of the Guidebook) Back-up materials and other records needed to support procurement claims reported to the Energy Commission pursuant to the Guidebook or the Energy Commission's regulations, *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities*, should similarly be kept for no fewer than three years after the end of the calendar year in which the procurement claim is reported to the Energy Commission. For example, records needed to support procurement claims for the first RPS compliance period (2011 - 2013) reported to the Energy Commission in July 2014 shall be kept until at least December 31, 2017.

Optional Compliance Measures

29. How should a POU complete the compliance report section regarding the amount of historic carryover applied if the Energy Commission has not yet verified the POU's historic carryover?

The compliance period accounting tab in the Compliance Report form should only be filled out at the end of the compliance period. If the verification of historic carryover has not been completed by the due date for the first compliance period report, the POU should include the amount of historic carryover that they believe will qualify, to be adjusted after verification.

30. What steps must a POU take to adopt and apply rules allowing for cost limitation of procurement expenditures?

A POU must have adopted rules for cost limitations on the procurement expenditures used to comply with its RPS procurement requirements before the end of the compliance period for which the POU plans to apply the cost limitation. In adopting the cost limitation, the POU must comply with sections 3206 (a)(3)(B), 3206 (a)(3)(C), and 3206 (a)(3)(E) of the Energy Commission's regulations. When applying an adopted cost limitation, a POU must meet the requirements in sections 3206 (a)(3)(D), 3206 (b), 3206 (c), 3207 (d)(6), and 3207 (d)(6)(A). When adopting a cost limitation rule, a POU should consider section 3206 (d) of the regulations, and when applying a cost limitation, a POU should consider section 3206 (e) of the regulations.

31. For the purposes of calculating excess procurement, if a contract that is less than 10 years in duration but meets the criteria of section 3202 (a)(2) of the regulations is extended, is the new contract length the total calculated from the original contract execution date, or is the new contract length the length of the extended term?

If no other terms of the contract changed, the new contract length is equal to the duration between the original contract execution date and the new contract end date set by the amendment. If other terms of the contract (for example, substituting a different eligible renewable energy resource, adding a new eligible renewable energy resource, or increasing the nameplate capacity or expected quantities of annual generation) changed as a result of the amendment, then the new contract length is equal to the duration between the date of execution of the contract amendment and the new contract end date set by the amendment.

However, if a contract that meets the criteria of section 3202 (a)(2) and had an original duration of less than 10 years is subsequently amended to extend the term, the associated electricity products must be classified into portfolio content categories and will be subject to the portfolio balance requirements in section 3204 (c) of the Energy Commission's regulations.

32. Can I retire pre-June 1, 2010 RECs as excess procurement?

RECs cannot be retired into an "excess procurement" subaccount. POUs can report which retired RECs will be applied towards the target, and which RECs will be excess procurement, if any, at the end of the compliance period. RECs from eligible renewable energy resources procured under contracts executed prior to June 1, 2010, may qualify for excess procurement, except for those RECs that are classified as PCC 3. In addition, RECs that meet the criteria of section 3202 (a)(3) and are associated

with contracts of less than 10 years duration will be subtracted from the excess procurement calculation.

Biomethane Reporting

33. When completing the CEC-RPS-Biomethane reporting form, what should a facility owner do when information required is from third parties (biomethane source/provider)? Can the attestation be modified to attest to what third parties provide?

The owner of the electrical generation facility is responsible for ensuring the facility satisfies all of the eligibility requirements specified in the *Renewables Portfolio Standard Eligibility Guidebook* when applying for RPS certification of the facility. For an electrical generation facility using biomethane, the facility owner's responsibilities include ensuring delivery of the biomethane fuel to the facility and ensuring transfer of the renewable and environmental attributes associated with the biomethane fuel from the fuel producer to the facility. A facility owner, through its contracts with the biomethane fuel producers and the entities delivering the fuel, is expected to ensure compliance with the fuel delivery and attribute requirements. The attestation on the CEC-RPS-Biomethane reporting form cannot be modified. The attestation on this form requires the facility owner to declare the information provided is true and correct "to the best of my knowledge." In providing this attestation the facility owner should exercise due diligence in ascertaining the truthfulness of the information provided in the report.

34. Who should complete and submit Biomethane reporting forms? What if the generator is "tolling" biomethane for more than one entity?

The biomethane reporting forms should be completed by an officer or agent of the RPS-certified electrical generation facility, as stated in the general instructions on the form. The RPS-certified electrical generation facility has an obligation to make available to the Energy Commission and to the load serving entities to which it provides generation all documentation necessary to verify the aspects of the generation that make it RPS-eligible. This includes all information included on the Biomethane reporting form and the supporting documentation that must be provided with that form such as nomination reports, contracts, etc. If gas tolling through a generating facility occurs, the RPS-certified electrical generation facility should provide to the Energy Commission the necessary documentation (such as nomination reports) to show that the biomethane was not used at the tolling facility, but was in fact moved on to the facility claiming use of the biomethane.

35. Do the Biomethane reporting forms require daily data?

No. The biomethane forms require monthly data. However, more detailed data may be required or requested by the Energy Commission later during the verification process if necessary.

36. On the Biomethane reporting form, when a reporting entity has more than one generating facility for which it is reporting, should the reporting entity submit one form for multiple facilities, or should it submit a separate form for each facility?

The reporting entity should submit a separate form for each facility.